duty on the Maximum Retail Price (MRP) of drugs/medicines with an abatement of 35 per cent;

(b) whether the Government have, in the process, factored in the post production expenses incurred by pharma companies; and

(c) whether this changeover from excise on transfer price to excise on MRP would entail re-packaging/marking of revised prices, on the stocks lying in factories as required under Drug Price Control Order regulations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Government notified retail price based assessment of excise duty for allopathic drugs and medicines with effect from 8.1.2005 *vide* Notification No. 2/2005-Central Excise (NT.) dated 7.1.2005 prescribing abatement of 35%. Subsequently, in view of representations from the pharmaceutical industry and the recommendations of the Department of Chemicals and Petrochemicals, the level of abatement has been increased from 35% to 40% with effect from 23.2.05 *vide* Notification No. 4/2005-Central Excise (NT.) dated 23.2.05.

(b) Government factored all material facts as per law to determine the level of abatement.

(c) Such situation may arise only when there is change in retail price.

Finance Minister's meeting

†3434. SHRIMATI MAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the issue of VAT was discussed in the VAT and the pre-Budget 2005-06 discussions in the meeting of the Central and State Finance Ministers held on 3rd February, 2005; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

Employment for unemployed youth in Nagaland

3435. SHRI T.R. ZELIANG: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of special package announced during 2003 for employment of 25,000 unemployed youths in Nagaland;

†Ortginal notice of the question was received in Hindi.

(b) if so, the steps taken thereto; and

(c) if not, the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The then Prime Minister Shri A.B. Vajpayee had made an announcement of a special package to create employment and self employment opportunities for 25000 unemployment youths in Nagaland.

(b) and (c)ATask Force under Chairmanship of Secretary, DONER was constituted for this purpose.

Direct tax arrears

3436. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) the arrears of income tax, corporate tax, direct and other indirect taxes for the year 1997-98 to 2004; year-wise;

(b) whether any action has been taken to collect the arrears;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The amounts of arrears of direct taxes for the year 1997-98 to 2003-04 are as under:

Financial Year	Amount of Direct Tax Arrears*
	(Rs, in crore)
1997-98	42,947
1998-99	44,293
1999-2000	51,337
2000-01	59,453
2001-02	72,671
2002-03	72,290
2003-04	87,885

*Figures are not maintained separately for Corporation Tax and Income Tax.